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Kansas Legislative Report, February 19-23, 2024

*The Kansas Legislature adjourned for Turnaround break late Thursday afternoon and will return to Topeka on Wednesday, February 28. Committees met on Monday and Tuesday, leaving the next two days for debating and passing legislation on the floor. **Any non-exempt bills that did not pass their house of origin or get “blessed” by leadership this week are dead for the year.***

When lawmakers return, they only have five weeks to finish all business for the year. First adjournment is scheduled for April 5, followed by a three-week spring break before Veto Session begins on April 29.

Tax Override Fails in House

On Tuesday, the House finally voted on overriding Governor Laura Kelly’s veto of the Republican-backed tax cut plan, [House Bill 2284](#). The final vote was [81-42](#), three votes short of the 84 needed. Despite Republicans having a super majority in the House, five GOP legislators voted against the override. Tuesday’s vote shocked many who expected better odds of getting the two-thirds majority support in the House than in the Senate, where votes have always been more uncertain.

It is not clear what Republican leadership’s “plan B” is for tax cuts this year. More talk about a two-rate income tax structure – instead of the single rate that the Governor opposes – is beginning to surface. There are also rumblings about sending individual tax cut provisions to the Governor’s desk as opposed to a comprehensive package. Regardless, this impasse between the Legislature and Administration will force parties to compromise where they can before returning home to their constituents in an election year.

Unemployment Insurance Reform Passes Unanimously

The full House approved [House Bill 2570](#) unanimously, 120-0, on Tuesday. The bill makes several reforms to the state’s unemployment insurance (UI) program that has a \$1.4 billion balance in the trust fund. The bill now heads to the Senate Commerce Committee to consider.

Most notably, it would cut positive balanced employers’ tax by 50% and includes a one-time, 100% forgiveness of negative balanced employers starting in tax year 2026. The

bill would also allow for eight weeks of temporary benefits and 16 weeks for highway and ready-mix contractors due to forced weather closures.

There was a motion to remove the “interview ghosting” language on the floor, but it ultimately failed. Democrats have consistently opposed the provision in the bill that would require the KDOL to investigate instances reported by employers of applicants who accepted interview appointments but failed to participate.

Credit Card Surcharge Disclosure Advances

On Thursday, the full Senate approved by a vote of 33-6 [Senate Substitute for House Bill 2247](#) that makes several amendments to the Uniform Consumer Credit Code. Also included in the bill is compromise language between banks, consumer groups, and credit card companies that prohibits retailers from imposing a surcharge on customers who pay with a credit card unless the retailer discloses the amount either at the point of entry or point of sale.

Senate Approves Restrictions on Fossil-fuel Plant Closures

On Thursday, the Senate approved 29-8 [Senate Bill 455](#) that would make it more difficult to close fossil fuel and coal-fired electric generating plants in Kansas. Earlier in the week the Senate Utilities Committee combined two similar proposals into one before sending it to the Senate floor for debate.

The original Senate Bill 455 was proposed by Evergy and allows public utilities to retain coal-fired electric generating facilities in their rate base and to recover expenses associated with their operation. Senate Bill 456 was added, which establishes a rebuttable presumption at the Kansas Corporation Commission against the retirement of fossil-fuel-fired electric plants.

Regulation Oversight Passes Commerce Committee

The House Commerce Committee passed out [House Bill 2648](#) on Tuesday. The bill gives the legislative branch greater oversight of rules and regulations passed by the administrative branch.

HB 2648 requires the Budget Director to independently determine costs of compliance and implementation for all proposed rules and regulations. If adoption is determined to cost more than \$1 million over the first five years, the state agency must pass legislation first. The bill also gives the Budget Director authority to reject the agency’s economic impact statement if it is found to be incomplete.

The committee made a few changes to the bill during their deliberations, including exempting the Kansas Agricultural Remediation Program due to its unique inability to assess fees, and has no regulatory authority or FTE staff. Another amendment was added that removes the statutory audit requirement. The bill was blessed on Friday and now heads to the full House for consideration after Turnaround.

Healthcare

On Thursday, the full Senate passed [Senate Bill 391](#), which would enact the Constitutional Right to Health Freedom Act and prohibit the secretary of KDHE from enacting rules and regulations regarding infectious or contagious diseases as well as

directing quarantines. During floor debate, a controversial section that created a new cause of action against employers for vaccine requirements was stricken. The bill passes the Senate as amended by a vote of [23-17](#).

Also, [Senate Bill 390](#), which creates the Conscientious Right to Refuse Act and would prohibit an employer, healthcare entity, school, or person from discriminating based on an individual's refusal of any vaccination or other medical treatment if an individual's refusal is for reasons of conscience. The bill was heard last week and was blessed by Senate Leadership so that it can be acted upon after the turnaround deadline.

Budget Review

Budget committees met twice this week to continue working on agency budgets.

The House Appropriations Committee worked through the Kansas Department of Health and Environment's budget. The committee concurred with the Governor's recommendations but added funds to clean up the Kansas River in Topeka and Lawrence. The committee appropriated funding in the Department of Commerce's budget for the World Cup efforts in Kansas at \$28 million from ARPA funds, other revenue funds and state general funds. They also deleted funding for business apprenticeship programs but recommended \$14.3 million come through the Board of Regents budget instead.

The House committee delayed action on the Department of Wildlife and Parks budget. There are growing concerns about the department buying more land while not maintaining the parks Kansas has currently. However, the Senate Ways and Means Committee did deliberate on the Department of Wildlife and Parks budget and deleted funding for land acquisition in Jewel County.

The Senate committee worked through Kansas' higher education system budget. More funding was directed to community and technical colleges, including funding apprenticeships. The committee also approved a measure to delete 5% of the universities' budgets if they did not discontinue Diversity, Equity, and Inclusion policies in their hiring practices. This issue will likely come up again after Turnaround.

Both House and Senate budget committees worked on the Kansas State Fair budget, which has received more attention this year than usual. The buildings and infrastructure on the fairgrounds are aging and in need of substantial updates.

Additional Action on Bills

[House Bill 2599](#), which would prohibit charges for an **open record** searches and electronic copies for KORA requests was not taken up before the turnaround deadline and stricken from the House calendar.

[Senate Bill 467](#), updates and adds members to **the Governor's council on travel and tourism**, was passed by the Senate this week on a vote of 40-0.

[House Bill 2685](#) was heard this week in the House Taxation Committee and provides a **sales tax exemption to all 501(c)(3) not-for-profit** organizations determined to be in

good standing with the Secretary of State. The bill is exempt and can be acted upon after the turnaround deadline.

Next Week

The House Commerce Committee will work on Wednesday the workers compensation compromise bill, [Senate Bill 430](#), which passed the Senate this week on a vote of 40-0. The bill proposes increases to benefit caps, which in Kansas are some of the lowest in the country. The bill also extends the amount of time an injured worker must report an injury from 20 to 30 days. Most important to the business community is the bill retains guardrails put in place during the last two comprehensive reforms in 2011 and 2013, including preservation of the prevailing factor standard that requires the work incident to be the primary factor of the claimant's injury to be eligible for benefits.

The House Commerce Committee will also hold a hearing on [Houses Bill 2471](#), which would enact the Transformation of Passenger and Freight Vehicle Industry Act (Act). This act would attract businesses engaged in electric motor vehicles and hydrogen-powered vehicle production to build new facilities and operations, research and development operations, or new national headquarters in Kansas.